INCUBATION POLICY

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SECTION 1: FRAMEWORK

A POLICY CONTROL FRAMEWORK

The signatories hereof, being duly authorised thereto, authorise the execution of the work detailed and on behalf of the parties represented by them.

<table>
<thead>
<tr>
<th>Approval Process</th>
<th>Position or Meeting No.</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Originator:</td>
<td>Executive Manager: STP</td>
<td>July 2018</td>
</tr>
<tr>
<td>Recommended by Policy Governance Structure</td>
<td>PRC Chairperson</td>
<td>8 August 2018</td>
</tr>
<tr>
<td>Recommended by:</td>
<td>EXCO</td>
<td>13 August 2018</td>
</tr>
<tr>
<td>Recommended by:</td>
<td>SOPC</td>
<td>15 August 2018</td>
</tr>
<tr>
<td>Board Approval:</td>
<td>BOARD</td>
<td>28 August 2018</td>
</tr>
</tbody>
</table>

CEO: Seda

03/10/2018

Date

A1. EFFECTIVE DATE

This policy is effective from 28 August 2018.
A2. DOCUMENT VERSIONS

<table>
<thead>
<tr>
<th>Version</th>
<th>Date</th>
<th>Prepared / revised by</th>
<th>Business unit</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>March 2015</td>
<td>Executive Manager</td>
<td>Stp</td>
<td>Approved</td>
</tr>
<tr>
<td>2</td>
<td>July 2018</td>
<td>Executive Manager</td>
<td>Stp</td>
<td>Draft</td>
</tr>
<tr>
<td>3</td>
<td>17 August 2018</td>
<td>Executive Manager</td>
<td>Stp</td>
<td>Final</td>
</tr>
</tbody>
</table>

A3. POLICY OWNERS

3.1 Responsibility for this policy lies with the Executive Manager: Seda Technology Programme (Stp). In addition, the following authorisations shall be applicable:

- Executive Manager: Stp is accountable for the effective implementation of this policy;
- The Senior Manager: Incubation will be responsible for the maintenance and monitoring of compliance to this policy;
- Policy Review Committee: reviews and recommends the policy to EXCO;
- Seda EXCO to recommend the policy to the SOPC for approval;
- Seda SOPC to recommend the policy to the Board;
- Seda Board to approve the policy; and
- Seda Business Units, execute the policy.

A4. APPROVAL AND REVIEW PROCESS

4.1 This policy is to be reviewed every 3 years or when required by the Executive Manager: Stp in conjunction with Senior Manager: Incubation.

B RELEVANT LEGISLATION

i. The Constitution of the Republic of South Africa, 1996;

ii. Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No. 4 of 2000);

iii. Public Finance Management Act, 1999 (Act No. 1 of 1999) and National Treasury Regulations;


i. Delegation of Authority Policy;

ii. Incubation adjudication panel Terms of Reference

### Glossary of Terms

<table>
<thead>
<tr>
<th>Phrase</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stp</td>
<td>Seda Technology Programme</td>
</tr>
<tr>
<td>TBI</td>
<td>Technology Business Incubator</td>
</tr>
<tr>
<td>TBI Adjudication Committee</td>
<td>The Adjudication Committee established to evaluate and approve application for incubator funding</td>
</tr>
<tr>
<td>EIP</td>
<td>Enterprise Incubation Support Programme</td>
</tr>
<tr>
<td>Incubator</td>
<td>A legal entity supported by Seda providing a nurturing environment for the creation and growth of enterprises</td>
</tr>
<tr>
<td>Incubation</td>
<td>Support services offered by the Incubator</td>
</tr>
<tr>
<td>ISP</td>
<td>Incubation Support Programme</td>
</tr>
<tr>
<td>Accelerator</td>
<td>Accelerators are fixed term, cohort-based programmes that include seed investment, connections, mentorship, educational components, and culminate in a public pitch event or demonstration day to accelerate growth.</td>
</tr>
<tr>
<td>Virtual incubation</td>
<td>Support services offered to clients on their own premises</td>
</tr>
<tr>
<td>Residential Incubation</td>
<td>Support services offered to clients based within the physical structure of the Incubator</td>
</tr>
<tr>
<td>NPC</td>
<td>Not-for-profit Company registered with CIPC</td>
</tr>
<tr>
<td>(Pty) Ltd</td>
<td>A company registered with CIPC as Proprietary Limited for profit making purposes</td>
</tr>
<tr>
<td>Existing Incubators</td>
<td>Established Incubators currently supported by Stp</td>
</tr>
<tr>
<td>Parties</td>
<td>Any private company / National / Provincial or Local Government entity</td>
</tr>
<tr>
<td>---------</td>
<td>------------------------------------------------------------------</td>
</tr>
<tr>
<td>IOD</td>
<td>Institute of Directors</td>
</tr>
<tr>
<td>KING IV</td>
<td>The Report on Corporate Governance for South Africa 2016</td>
</tr>
<tr>
<td>Acronym</td>
<td>Meaning</td>
</tr>
<tr>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td>BBBEE</td>
<td>Broad-Based Black Economic Empowerment</td>
</tr>
<tr>
<td>DSBD</td>
<td>Department of Small Business Development</td>
</tr>
<tr>
<td>Board</td>
<td>Board of directors of the Agency as contemplated in section 11 of the National Small Enterprise Act</td>
</tr>
<tr>
<td>DTI</td>
<td>Department of Trade and Industry</td>
</tr>
<tr>
<td>ESD</td>
<td>Enterprise and Supplier Development</td>
</tr>
<tr>
<td>EXCO</td>
<td>Executive Committee</td>
</tr>
<tr>
<td>SOPC</td>
<td>Strategy and Organisational Performance Committee</td>
</tr>
<tr>
<td>MoA</td>
<td>Memorandum of Agreement</td>
</tr>
<tr>
<td>PRC</td>
<td>Policy Review Committee</td>
</tr>
<tr>
<td>Seda</td>
<td>Small Enterprise Development Agency</td>
</tr>
<tr>
<td>SMME</td>
<td>Small, Medium and Micro-sized Enterprise</td>
</tr>
</tbody>
</table>
SECTION 2: POLICY

1. INTRODUCTION

The high failure rate of small businesses is, amongst others, caused by lack of capital, lack of management and business skills, marketing access, technical skills and lack of negotiation skills. An incubator is a flexible instrument, which can support entrepreneurs in solving these problems. It therefore provides a variety of support services under controlled conditions to create an environment favorable for developing, nurturing and accelerating growth of new enterprises.

The Seda incubation programme was initially setup to focus on accelerating the creation of high-tech startups, changes in local environment has dictated a shift that focuses on creating a balanced portfolio approach between high-tech and low tech or generic incubators. This aligns to broader incubation support programme incentives created by the DSBD (EIP), the dti (ISP) and various other National and local government departments and State Owned Entities (SOEs) and Agencies.

Corporate South Africa and Multinationals also came on board in 2013 after the amendments of the Broad-Based Black Economic Empowerment (BBBEE) codes by the Department of Trade and Industry. These amendments serve as important tools to propel and position SMMEs and Co-operatives as suppliers in the core supply chains of Government entities, corporate firms and the local operations of multinational firms, particularly for Exempted Micro Enterprises (EMEs) with a turnover between R0 - R10 million, and Qualifying Small Enterprises (QSEs) with a turnover of R10 million to R50 million per annum.

This provided an opportunity for Seda to leverage additional programme funding through partnering with Public and Private Sector entities that want to comply with the BBBEE codes but have no internal capacity to design and implement ESD programmes or projects. In April 2018, DSBD made a decision to transfer its EIP programme to Seda and thus resulted in a need to review the Policy to ensure that scope is provided for the support of (PTY) Ltd companies to drive incubator self-sustainability.
2. POLICY OBJECTIVES

The aim of this policy is to:

2.1 To ensure a coherent approach is followed when establishing a new incubation/accelerator centre.

2.2 Fairness and transparency is exercised at all times when screening and selecting partners.

2.3 The role of Seda is clearly articulated in the management of the supported incubator/accelerator.

3 POLICY SCOPE

This policy applies to the following:

3.1 Parties who have actual or potential interest in the establishment or support of new and existing incubators/accelerators.

3.2 Seda employees (other divisions) and associates who can have an actual or direct interest in understanding the Seda incubation/accelerator programme.

3.3 All funding applicants including potential, new and existing incubators.

3.4 Guidelines, policies and processes that need to be met by incubators/accelerators supported by Seda are not mandated by this document, nor other projects and sub-projects within the Seda Technology Programme. The *modus operandi* of Incubation Centres is covered in a separate Centre Policy Manual.

4 KEY POLICY PRINCIPLES

The incubation/accelerator policy is based on the following key principles:

4.1 Incubation/accelerator Models

Seda incubation programme endorses the following incubation models for implementation by partners, as residential, or virtual support and can be classified as follows:

4.1.1 Business Incubators - Provide a variety of support services under controlled conditions, to create an environment favourable for developing and nurturing new businesses and accelerating growth of existing businesses.
4.1.2 Technology Demonstration Incubators - Provide and/or facilitate the demonstration of appropriate and applicable technologies, equipment, machines and product and process know-how.

4.1.3 Hybrid Incubators - Includes all or some of the elements of incubation and demonstration and also add other services such as training, market access technology development, innovation support, virtual services and other approved services.

4.1.4 Accelerators provide for a fixed term, cohort-based programme that include seed investment, connections, mentorship, educational components, and culminate in a public pitch event or demonstration day to accelerate growth.

4.1.5 Distinguishing characteristics of the various models are:

<table>
<thead>
<tr>
<th>FACILITIES AND SERVICES</th>
<th>BUSINESS INCUBATORS</th>
<th>TECHNOLOGY DEMONSTRATION INCUBATORS</th>
<th>HYBRID INCUBATORS</th>
<th>ACCELERATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical Space</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Product/process identification</td>
<td>N/A</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Access to equipment, machines, tools and IT infra-structure</td>
<td>N/A</td>
<td>X</td>
<td>X</td>
<td>N/A</td>
</tr>
<tr>
<td>Shared administrative services</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Technical training, counselling, mentoring and coaching</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Technology Transfer and demonstration</td>
<td>N/A</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Assistance in marketing</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Technology commercialisation</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Assistance with sourcing finance</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Assistance in export readiness</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>N/A</td>
</tr>
</tbody>
</table>
5. INCUBATION/ACCELERATOR SUPPORT SERVICES (instead of TBI Incubation Support Services)

An incubator/accelerator to be supported through the Seda incubation programme, should, as a minimum standard, have or provide at least 80% of the following to Incubatees:

5.1 Physical (rentable) space (co-working and co-creation shared facilities), or in the case of a virtual incubator, the capacity to reach a number of clients/incubatees located off-site;

5.2 Assistance in product/process identification and development;

5.3 Facilitate access to equipment, machines, tools and IT infrastructure;

5.4 Shared administrative services;

5.5 Technical training, counselling, mentoring and coaching;

5.6 Technology transfer and demonstration;

5.7 Conformity assessment and legal services

5.8 Assistance with brand building, marketing and communication with stakeholders/clients (product launches and demonstration days);

5.9 Technology commercialization;

5.10 Assistance with financial matters and the provision or sourcing of different types of finance; and

5.11 Assistance in developing the export readiness of clients.

6. SEDA INCUBATOR/ACCELERATOR SUPPORT

The primary purpose for providing funding to any incubator/accelerator is to fulfil the following outcomes:-

6.1 Establishment of new enterprises that will commence trading activities within a relatively short period of time;

6.2 Job creation as a consequence/outcome of growing businesses;

6.3 Facilitating greater equity in business ownership, i.e. race, gender, age and geographic location;
6.4 Commercialising of new products and services that are in the post proto-type development stage;

6.5 Increasing the graduation and survival rates of enterprises (SMMEs and cooperatives) after graduation;

6.6 Increasing the level and quality of technology utilised by enterprises (SMMEs and cooperatives);

6.7 Increasing the productivity, profitability and overall competitiveness of enterprises (SMMEs and cooperatives); and

6.8 Wealth creation for the business owners/entrepreneurs.

7. STRUCTURE OF INCUBATORS/ACCELERATORS

The Incubators/accelerators should be either Trusts or Not-For-Profit companies.

The following exceptions do apply at the discretion of the TBI Adjudication Committee:-

7.1 Incubators/accelerators situated within a Higher Education Institution (HEI), such as a university, Technical vocational Education training colleges (TVET) or Community College (CC) may be supported as a separate cost centre of the University in order to allow for the sustainability of the initiative.

7.2 Seda promotes financial sustainability of the Incubators/accelerators and therefore supports the establishment of (Pty) Ltd companies that would act as trading companies on behalf of the NPC. The trading company may not receive any of the funds transferred to the Non-Profit Company/Incubator/accelerator by Seda, instead the for-profit company must be the funding source for the NPC.

7.3 In exceptional circumstances, Seda supports the funding of (Pty) Ltd companies, but only when special funding support is received from a third party, i.e. organ of state or a corporate company supporting the incubation programme for a minimum period of three years to ensure sustainability.

8. ADMINISTRATION AND GOVERNANCE

8.1 The Incubation Unit of Stp will be responsible for the receipt and screening of proposal for submission to the Adjudication Panel (Due Diligence).

8.2 An Adjudication Panel will do the final assessment of the proposals and approval for support.

8.3 The Adjudication Panel shall consist of 5 members, namely:

8.3.1 Executive Manager: Stp
8.3.2 Senior Manager: Incubation
8.3.3 Funder representative (DTI/DSBD)
8.3.4 Senior Manager: Strategy and Organisational Performance
8.3.5 A Seda Accountant.

8.4 The chairperson of the Adjudication Panel shall be the Executive Manager: Stp.

8.5 To form a quorum a minimum of 4 members must be present and this includes the Chairperson.

9. THE SEDA INCUBATOR/ACCELERATOR SUPPORT PROCESS

9.1 Objectives of the Process

To provide a clear flow for engaging potential and existing incubators/accelerators from application stage through to an approved incubator/accelerator supported by Stp (Flow diagram, Annexure 1).

9.1.1 The intention is to ensure that incubator/accelerator proposals received are feasible and sustainable business concepts.

9.1.2 To ensure that only proposals that meet Seda’s requirements are considered for support.

9.2 Phase 1 - Request for Proposal

The Incubation Unit receives proposals from the following sources:

9.2.1 Stp management may engage various role-players as strategic partners in the establishment of a new incubator/accelerator. Prospective partners such as HEIs, Government Departments, State Owned Companies (SOCs), Private Sector Firms and local operations of Multinational firms may submit proposals based on a common objective with Seda.

9.2.2 The CEO or Seda Board may request Stp to investigate specific concepts in line with a strategic objective which the organisation wishes to explore.

9.2.3 The DSBD or the dti may issue a directive for the establishment of a specific incubator/accelerator.
9.2.4 Unsolicited proposals for new incubators/accelerators from various institutions can be received.

9.2.5 The Executive Manager: Stp may put out a “Request for Proposals” utilizing any appropriate medium.

9.3 Phase 2 - Proposal Screening and Selection

Proposals for new incubators/accelerators are submitted to the Senior Managers: Incubation and are screened to see if they meet the minimum standard requirements against the following basic criteria:

9.3.1 Alignment to Government’s priority sectors;

9.3.2 Regional Impetus.

9.3.3 Technology stimulus.

9.3.4 Available feasibility report.

9.3.5 Incubation model and programme.

9.3.6 Funding partners with a minimum of a 50% contribution of the total project costs for a period of three years, this may include cash or in-kind contributions.

9.3.7 Community and local economic focus benefit with emphasis on previously disadvantaged target groups.

9.3.8 Other strategic alliances.

9.3.9 Access to markets and market linkages established/Enterprise Supplier Development.

9.4 Phase 3 - Concept and Business Development Phase

Proposals that meet all the above criteria will be investigated for its merits based on the return of investment and the feasibility of the incubator/accelerator. Stp may at the discretion of the Executive Manager: Stp provide financial support for a feasibility study to be conducted where necessary.

9.4.1 Financial Support

Projects which require financial support from Seda will be requested to provide a detailed three-year Business Plan, which will be submitted to the TBI Adjudication Committee for final consideration. Satisfactory projects will be recommended for approval to the Seda CEO/Board as per the Seda delegation of authority Policy.
9.4.2 Non-Financial Support

If the project does not require financial support from Seda, the Executive Manager: Stp may proceed with the signing of an agreement between the parties for technical support and partnership.

9.4.3 All approved projects will be required to sign a Memorandum of Agreement (MoA) with Seda and be subject to approval conditions stipulated in an approval letter and terms of the MoA.

9.5 Phase 4 - Implementation Phase

Successful projects will receive the following support:

9.5.1 An Incubation Project Specialist will be assigned to provide the technical support and be responsible for the monitoring and evaluation as well as serve as a point of contact on behalf of Seda.

9.5.2 Seda will appoint one or two Board representatives to serve on the incubator/accelerator Board of Directors. The representative will adhere to the terms of reference for Seda Board Representatives.

9.5.3 Stp: Incubation unit through the above resources will facilitate and provide technical guidance, tools and systems and capacity building support.

9.5.4 Stp: Incubation will provide new incubators/accelerators with Incubation Centre Establishment and Management Policy Guidelines to ensure appropriate knowledge transfer to the Centres’ leadership.

10. MONITORING AND EVALUATION

Incubators/accelerators already under the support of Seda are expected to adhere to the following requirements:

10.1 Submit a 3-year Business Plan in the required template.

10.2 On approval of the Business Plan, a 3 year Memorandum of Agreement must be signed as regulation for guiding the relationship between Seda and the Incubation Centre.

10.3 The 3 year MoA is renewable based on meeting performance requirements, budget availability and alignment in strategic focus.

10.4 An Implementation Plan for the two subsequent years is submitted by due date.

10.5 Funding allocations will be made to the Incubation Centre aligned to centre requirements, expected performance and Stp’s available budget.
10.6 Submit 4 quarterly reports per annum as per 10.7.1 below.

10.7 Invoice Seda quarterly, 1st payment upfront for services activation and subsequent quarters upon submission of the quarterly report.

10.7.1 Quarterly Reports
Every Centre will submit a report to Stp quarterly within five (5) days after a quarter has ended, using the standard Stp template, including the following:-

10.7.2 Progress report for the quarter, detailing progress against plan, agreed targets and means of verification to validate performance;
10.7.3 Action Plan for the following quarter, detailing activities, actions and initiatives, including budgeted costs;
10.7.4 Detailed expense schedules per budget line with the required supporting documents as required in terms of the Financing Agreement and Stp procedures.

10.8 Annual Reports
Every centre must submit an Annual Report, within four (4) months after year end to Stp.
INCUBATION SUPPORT - EXTERNALLY FUNDED

11. CRITERIA (EXTERNALLY/THIRD PARTY FUNDED)

This section sets minimum requirements for the Incubation support and basic terms and conditions to be considered in negotiating agreements for external/third party funding.

11.1 The criteria to be utilised for each external funder is specified in the relevant policy annexures hereto.

11.2 Considering these minimum requirements, should Seda receive incubation support funding from external sources, Incubator/accelerator legal structure, scope for target market, model and maximum funding thresholds may be extended, subject to thresholds specified in the funder’s guidelines as prevailing at the time of concluding the agreement with Seda.

11.3 Funding criteria and guidelines of the external/third party fund shall be implemented on the following conditions:

11.3.1 A Memorandum of Agreement and/or Service Level Agreement is signed between Seda and the Funder;

11.3.2 Funders’ criteria and guidelines should be compliant to the PFMA;

11.3.3 All monies received shall be ring-fenced by Seda for the sole benefit of recipients of such fund; and

11.3.4 Where applicable, a management fee will be negotiated between the parties and shall be specified in the Memorandum of Agreement.

12. ADMINISTRATION AND GOVERNANCE FOR EXTERNAL/THIRD PARTY FUNDING

12.1 The Incubation Unit of Stp will be responsible for the receipt and screening of proposal for submission to the Adjudication panel.

12.2 An Adjudication Panel will do the final assessment of the proposals and approval for support.

12.3 The Adjudication Panel shall consist of 5 members, namely:

12.3.1 Executive Manager: Stp

12.3.2 Senior Manager: Incubation

12.3.3 Funder representative

12.3.4 Senior Manager: Strategy and Organizational Performance
12.3.5 Seda Accountant: Projects

12.4 The chairperson of the Adjudication Panel shall be the Executive Manager: Stp

12.5 To form a quorum a minimum of 4 members must be present and this includes the Chairperson.

12.6 The Adjudication Panel meetings will be held separately for each funder, be specific to each funder and shall have separate minutes.

13. THE INCUBATOR/ACCELERATOR SUPPORT PROCESS FOR EXTERNAL/THIRD PARTY FUNDING

13.1 An incubator/accelerator to be supported through the Seda incubation programme, should, as a minimum standard, have or provide at least 80% of the following to Incubatees:-

13.2 Physical (rentable) space (co-working and co-creation shared facilities), or in the case of a virtual incubator, the capacity to reach a number of clients/incubatees located off-site;

13.3 Assistance in product/process identification and development;

13.4 Facilitate access to equipment, machines, tools and IT infrastructure;

13.5 Shared administrative services;

13.6 Technical training, counselling, mentoring and coaching;

13.7 Technology transfer and demonstration;

13.8 Conformity assessment and legal services

13.9 Assistance with brand building, marketing and communication with stakeholders/clients (product launches and demonstration days);

13.10 Technology commercialization;

13.11 Assistance with financial matters and the provision or sourcing of different types of finance; and

13.12 Assistance in developing the export readiness of clients.

13.13 Any other specific requirement as stated in the funder guidelines or MoA.
14 The Adjudication Panel approves or declines the applications, with relevant conditions if the panel deems it necessary.

15 Should the Adjudication panel reject an application, the applicant may appeal once and should it be ultimately rejected, the decision will be final and reasons for the decision will be communicated to the applicant, but thereafter no further correspondence will be entered into.

16 Funding conditions:

16.2.1 The maximum amount of funding that can be approved by the Adjudication Panel will be determined according to the criteria of external funders.

16.2.2 Eligibility criteria will be as per the funder's guidelines or as specified in the MoA.

16.2.3 If not specified, the Seda incubation support screening criteria will be utilized as specified in section 5.3 of this Policy document.
ANNEXURE A

17. ENTERPRISE INCUBATION PROGRAMME GUIDELINES

17.1 INTRODUCTION

Enterprise Incubation Programme (EIP) is a market driven Business Incubation / Acceleration initiative of the National DSBD which prepares start-up Enterprises (SMMEs and Cooperatives) to supply goods and services from various sectors and business disciplines, to the broader spectra of available and viable local markets. EIP is focused on ESD and centered on affording participating SMMEs and Cooperatives with access to:

17.1.1 Skills and Support Infrastructure
17.1.2 Business Development Support following a structured service continuum
17.1.3 Best practice standards within a specific discipline and sector
14.1.4 Market Access.

18. OBJECTIVE OF EIP

18.1 To support the establishment of new and for the growth and expansion of existing incubators.
18.2 Transfer skills necessary for small enterprises to meet quality standards and specifications required by corporates.
18.3 Improve access to market for small enterprises.

19. QUALIFYING CRITERIA

19.1 South African owned and registered legal entity in terms of the companies Act, 1973 or as amended in 2008.
19.2 Legal entities applying for expansion should not be supported by the dti or Seda
19.3 Relevant experience in the sector of choice.
19.4 Market access guarantee: offtake agreement/s and letters of intent
19.5 Incubation plan/model
19.6 Agreement with selected small enterprises
19.7 Accelerated mentorship programme
19.8 Exit strategy
19.9 Offer physical incubation space
19.10 Competing and comparable quotations including delivery (and installation)

20. ELIGIBLE INTERVENTIONS

20.1 Business development support
20.2 Market development (research, pricing techniques and packaging)
20.3 Tools, machinery or equipment
20.4 Infrastructure linked to incubator activities
20.5 Product and service development
20.6 ICT linked to incubator activities
20.7 Operational costs
20.8 Adjudication panel may consider any other costs related to the activities of the incubator

21. EXCLUSIONS AND LIMITATIONS

21.1 Acquiring of land and buildings
21.2 Salary or stipend to incubatees
21.3 Design and printing of marketing materials
21.4 Office furniture costs
21.5 Any other costs that the adjudication panel, at its sole discretion, can deem as non-qualifying.

22. FUNDING APPROVAL AND CONDITIONS

Approval amount: The maximum amount of funding that can be approved by the AP for the EIP will be R 5 000 000 (Five Million Rands) including VAT. Each proposal will be viewed on its merit.

23. MONITORING AND REPORTING

Incubators/accelerators already under the support of Seda are expected to adhere to the following requirements:

23.1 Submit a 3-year Business Plan in the required template.

23.2 On approval of the Business Plan, a 3 year Memorandum of Agreement must be signed as regulation for guiding the relationship between Seda and the Incubation Centre.

23.3 An Implementation Plan for the two subsequent years is submitted by due date.

23.4 Funding allocations will be made to the Incubation Centre aligned to centre requirements, expected performance and available budget.

23.5 Submit 4 quarterly reports per annum as per 23.6.1 below.
23.6 Invoice Seda quarterly, 1st payment upfront for services activation and subsequent quarters upon submission of the quarterly report.

23.6.1 Quarterly Reports
Every Centre will submit a report to Stp quarterly within five (5) days after a quarter has ended, using the standard Stp template, including the following:-

23.6.2 Progress report for the quarter, detailing progress against plan, agreed targets and means of verification to validate performance;

23.6.3 Action Plan for the following quarter, detailing activities, actions and initiatives, including budgeted costs;

23.6.4 Detailed expense schedules per budget line with the required supporting documents as required in terms of the Financing Agreement and Stp procedures.

23.7 Annual Reports
Every centre must submit an Annual Report, within four (4) months after year end to Stp.